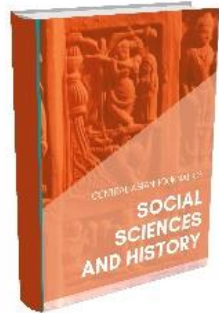




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### Analysis and Assessment of the Financial Condition of the Enterprise

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#### ABSTRACT

Financial condition - the main characteristic of the financial and economic activities of the organization. It determines competitiveness, potential in business cooperation, assesses the degree of guarantee of the economic interests of the enterprise itself and its partners in financial and production conditions. The financial condition can be of three types: stable, unstable (pre-crisis) and crisis. The ability of an enterprise to make payments on time, to finance its activities, to endure unforeseen situations and maintain its solvency in adverse conditions speaks of the stable financial condition of the enterprise, and vice versa.

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**The relevance of the topic** is due to the need to study the theoretical and methodological aspects of the analysis of the financial condition, in order to improve the efficiency of enterprises.

The financial condition is a cumulative concept that characterizes the system of indicators showing the availability and distribution of funds, the potential and real economic opportunities of the organization. The financial condition is set on a specific date.

A positive financial position is a willingness to make payments, a sufficient amount of own working capital and its effective use in economic expediency, a clear state of settlements, and the presence of a stable financial base. The negative financial position is determined by unsatisfactory solvency, insufficiently stable potential financial base, due to unfavorable trends in production, inefficient allocation of funds, their immobilization, arrears to the budget, suppliers and the bank.

The economic condition of the company is determined by the composition and allocation of funds, the structure of the sources of these funds, the speed of capital turnover, the ability of the enterprise to repay its debts on time and in full, as well as other factors. An ambiguous operation can be called an assessment of the financial condition of the enterprise. However, for the effective solution of

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managerial tasks, a reliable and objective assessment of the financial condition of the enterprise is necessary.

In today's difficult economic situation, assessing your position in the market, as well as the financial condition of partners and competitors, will not allow you to make many mistakes in making various management decisions, and this is facilitated by financial analysis.

A shadowy solution to the problems of "liberation from exorbitant debts" and situations of ruin of almost all manufacturing enterprises, this exists due to the crisis of the economy and legal business, due to the existence of invisible enterprises that are listed in the register, but have neither management nor employees, due to wage arrears, due to gaps in legislation and the insolvency of enterprises.

In the process of analyzing the financial condition, the following is done: studying the financial and economic condition of the enterprise, making decisions on capital management, cash flow management, income, expenses and profits.

**The purpose of the study** is to analyze the financial condition of the enterprise and develop directions for its improvement.

In accordance with the goal of the study, it is necessary to solve the following **tasks** that determine the structure of the work:

- To study the theoretical and methodological foundations of the financial condition of the enterprise;
- Give organizational and economic characteristics of the enterprise;
- Conduct an analysis of the financial condition of the object under study;
- Develop directions for improving the financial condition of the enterprise.

**The object of the study** are enterprises.

**The subject of the study** is the financial and economic activity of the enterprise.

**The theoretical and methodological basis** of the work, in particular, was the scientific work of Russian and domestic authors.

**Methodical bases.** The study used the main methods of financial analysis - horizontal, vertical, comparative, factorial, the method of analytical grouping, the method of analysis of relative coefficients, and others.

The financial condition of an enterprise is an economic category that reflects the state of capital in the process of its circulation and the ability of a business entity to self-develop at a fixed point in time.

In the process of supply, production, marketing and financing, there is a constant process of capital circulation, the structure of funds and sources of their formation, the availability of enterprise resources and their need are changing, the financial situation of the organization is changing.

Under the financial condition understand the ability of the organization to finance its activities. It is characterized by the availability of financial resources that are important for the normal activities of the organization, their reasonable placement and effective implementation, economic relations with other individuals and legal entities, solvency and economic stability.

Abdulkarimov I.T. and Beshpalov M.V., believe that "the assessment of the financial condition of organizations is based on indicators characterizing the property status and the state of their sources, liquidity, solvency, financial stability, financial results, business activity.

The main objectives of the analysis of the financial condition of the enterprise are the assessment and study of:

- structure of the balance sheet and indicators of property status;
- solvency and liquidity;
- financial stability;
- economic performance”.

According to Glazkov M.M. “when determining economic sustainability, a characterization and assessment of the correctness of the management of financial resources is given.

The stability of the financial position of the organization develops in the process of all its entrepreneurial activities, due to which it is considered a consequence of:

- competent implementation of current, investment and economic activities;
- rational implementation of accounting, pricing, tax and credit policies.

The information basis for the analysis of economic stability for external use is the data of financial statements.

The composition of the annual financial statements in the usual version of its formation includes the following forms:

- form of accounting (financial) statements;
- balance sheet;
- report on financial results;
- statement of changes in equity;
- cash flow statement;
- report on the intended use of funds;
- an example of registration of explanations to the balance sheet and the income statement;
- simplified accounting (financial) reporting;
- simplified form of balance sheet;
- simplified form of the report on financial results;
- a simplified form of the report on the intended use of funds.

To assess the financial condition of the organization, you need to use a system of indicators that characterize the changes:

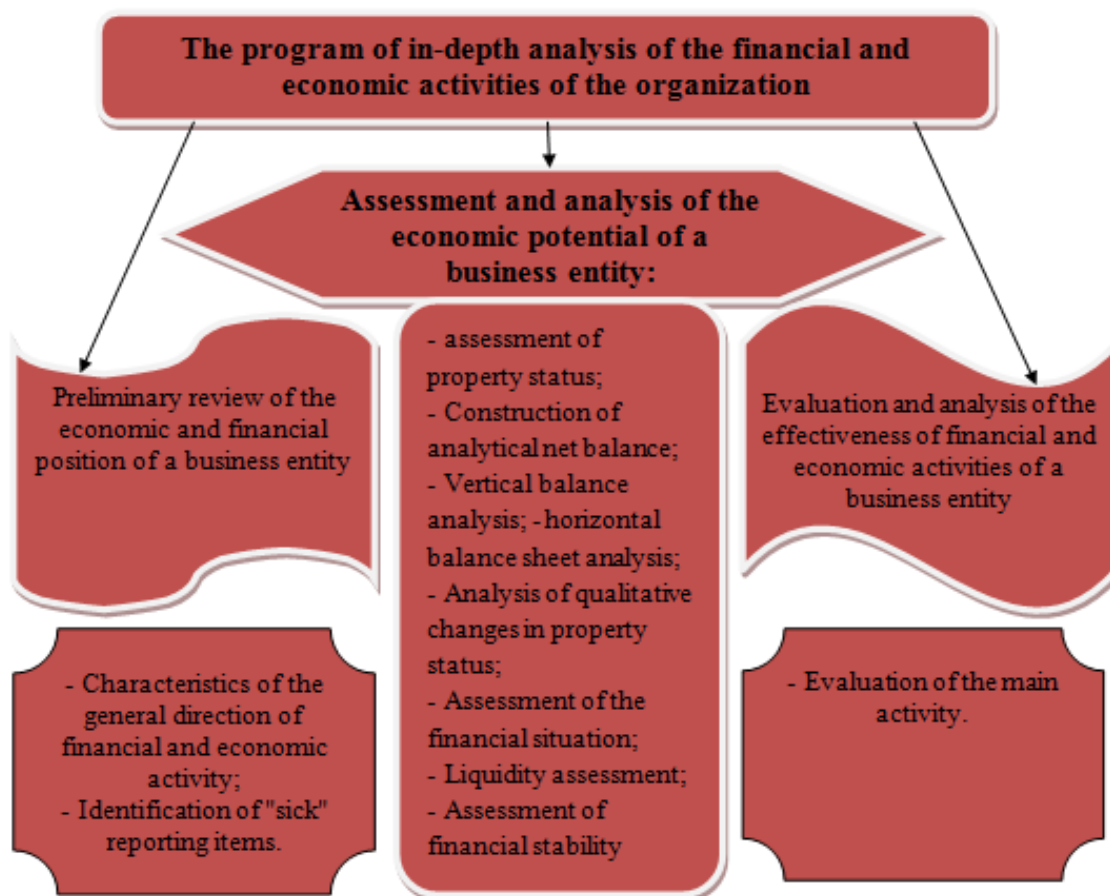
- structure of the organization's capital in terms of its placement and sources of education;
- efficiency and intensity of capital use;
- creditworthiness and solvency of the organization;
- stocks of financial stability of the organization.

The organization of the analysis of the financial condition of the enterprise is based, first of all, on conditional indicators, this is explained by the fact that in terms of inflation, the absolute values of the balance sheet are difficult to compare. Relative indicators of the financial condition of the analyzed organization can be compared:

- with general "norms" for assessing the degree of risk and predicting the possibility of bankruptcy;

- with similar data from other enterprises, as this allows you to identify the strengths and weaknesses of the organization and its capabilities;
- with similar data for previous years to study trends in the improvement or deterioration of the financial condition of the organization.

V.V. Kovalev offers a program for an in-depth analysis of the company's financial and economic activities (Fig. 1). Kovalev V.V. pays special attention to the calculations of the threshold of profitability and financial safety margins.



**Figure 1. Program for in-depth analysis of the financial and economic activities of the company**

In accordance with the opinion of V.V. Kovaleva, “analysis of the financial condition of the company includes:

1. Assessment of the capital structure and financial position of the property, which in turn are divided into:
  - analysis of capital allocation;
  - analysis of sources of capital formation.
2. An assessment of the intensive and efficient use of capital, which includes:
  - analysis of profitability of capital (profitability);
  - capital turnover analysis;

### 3. Assessment of financial stability and solvency, consisting of:

- analysis of financial stability;
- analysis of liquidity and solvency; □ assessment of creditworthiness and bankruptcy risk”.

### Conclusion.

As part of this work, a number of proposals were formulated to improve the financial condition of the organization, namely:

Increasing the profitability of the organization's assets:

- for starters, you need to organize several work shifts at the enterprise, this will significantly reduce equipment downtime;
- one of the most important is the technical level of the personnel - it needs to be improved, and this will also affect the reduction of downtime, but already through the competent use of equipment and, as a result, a significant reduction in breakdowns;
- mothballed equipment, obsolete production facilities should be sold, production lines with a high level of physical depreciation will have to be written off, as a result, the return on fixed assets will become more efficient;
- it is also necessary to allocate funds for the commissioning of equipment with a higher technological level, it is worth carrying out the modernization of existing technical resources;
- if we take into account that the volume of products sold envy such an indicator as the return on fixed assets, then it makes sense that when motivating staff, by introducing the dependence of the level of wages on the amount of goods produced.

The proposed system allows the company to maintain a full-fledged continuous dialogue with the client, understand the client and take into account the history of his requests at any point of contact so that the client feels that he is treated with the greatest possible attention. And as a result, by satisfying the client better than the competitor does, the company gets better financial results.

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